

R.M. CLARK ASSOCIATES, INC.
Electrical Manufacturers' Representative

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RECEIVED

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November 14, 1997

FCC MAIL ROOM

Federal Communication Commission
Office of the Secretary, Room 222
1919 M Street, NW
Washington, D.C. 20554

BUCKET FILE COPY ORIGINAL
CC: ATCALL Customer Service
Rep McGovern 3rd Mass
Senator E. Kennedy
Senator J. Kerry

RE: FCC Mandated Payphone Fee

I am officially registering a complaint against the attached admitted action by the FCC to require a \$.35 fee for 800# phone calls from a pay phone. This is indeed an unfair burden on customers, even though my carrier only passed on a \$.29 fee to its customers.

It's a cop out for the FCC to say that the carriers do not have to pass a fee on to the end customer. After the government mandates a fee, where else do you think it will go? The end customer always ends up bearing the burden. You should have left the free market to solve this issue themselves. the pay phone providers would have worked out an agreement with the long distance carriers, or else pay phones would have been taken out of service, which would have cost the LD carriers revenue. They would have worked out a solution.

I would appreciate the following:

- **From the FCC.** Please acknowledge receipt of this complaint and advise what steps the FCC is taking to remove these fees.

- **From elected officials McGovern, Kennedy, Kerry...** Please acknowledge receipt of this letter and advise what action you are taking to remove this fee burden from your constituents and local businesses. I'm trying to grow and create more jobs....I do not need additional fees impeding my efforts.

Thank you for your attention to this matter. In the future I recommend you all focus on **less government intrusion and less mandated fees.**

Sincerely,

Jim Clark - Pres

ATCALL

8401 OLD COURTHOUSE RD. • SUITE 300 • VIENNA, VA 22182
CUSTOMER SERVICE 1-800-411-9696 • (703) 748-2154
FAX (703) 748-2185
HTTP://WWW.ATCALL.COM

November 1, 1997

Dear Valued ATCALL Customer:

In keeping with our commitment to provide simple, cost-effective and reliable service, we want to inform you of an important new Federal Communications Commission (FCC) regulation that may affect your service. The FCC has implemented a new regulation, effective as of October 9th, 1997, which mandates compensation to Payphone Service Providers for all non-coin calls completed from their payphones on a per call basis. Here's what this new regulation, which will affect both calling card and 800/888 customers, will mean to you.

In simple terms, as a result of this decision by the FCC, you will be charged a 29¢ per call fee for any calling card call you choose to make from a payphone. If you use 800/888 service, you will be charged a 29¢ per call fee for all calls placed to your 800/888 number from a payphone. This charge is only applicable when you call from a payphone. No other calls are subject to this charge.

Although beyond our control, we apologize for the inconvenience that this ruling may cause. Our competitors have used this opportunity to institute fees higher than the amount charged by the FCC in addition to the per call surcharges they already impose. We remain committed to simple, straightforward products free of costly surcharges or fees.

This law has been in effect since October 9th. Since then, we have absorbed the cost of this regulation in order to provide adequate notice to our customers of this impending fee. To satisfy this obligation to the FCC and the Pay Phone Service Providers, as of December 1st, 1997, we will begin collection of the charge, which will appear on your January 1 invoice. Calls subject to this ruling will include the fee and will be marked on your invoice so that you can recognize the impact of the charge.

We believe this fee to be an unfair burden on consumers. We encourage you to join us in our effort to reverse this ruling by contacting the FCC at the number/address listed below. Your support is crucial to the success of this effort.

Thank you again for choosing ATCALL. We value your business. Please feel free to call us here at the Customer Service Center at 1-800-411-9696 if you have any questions about this letter or your account.

Sincerely,



Tammy L. Posten
Customer Service Manager

For more information on this ruling (FCC 97-371), call:

1-888-225-5322 FCC National Call Center
1-202-418-0190 FCC Public Service Division

Or, write to:

Federal Communications Commission
Office of the Secretary, Room 222
1919 M Street, NW
Washington, D.C. 20554

FCC'S PAYPHONE ORDER DEREGULATES PAYPHONES
AND ENSURES THAT PAYPHONE OWNERS ARE COMPENSATED
FOR EACH AND EVERY CALL MADE FROM A PAYPHONE

The Commission has recently become aware that a number of interexchange carriers ("IXCs") are making statements about the Commission's recent orders on payphones that are inappropriate or improper. For example, some IXC's are making inaccurate statements to the effect that the Commission has mandated that consumers making calls from payphones pay a per-call charge to compensate the payphone provider (the person who owns the payphone instrument, e.g. the local phone company, an independent company, or the owner of the premises where the payphone is located). The Commission's Payphone Reclassification Proceeding, pursuant to Congress' directive in the Telecommunication Act of 1996, adopted rules requiring IXCs to compensate payphone providers for certain calls the IXCs receive from payphones. The Commission's orders, however, did not specify or mandate how the IXCs should treat these compensation payments to payphone owners, and any statements about specifically-mandated charges are incorrect.

By way of background, Section 276 of the Communications Act, as amended by the Telecommunications Act of 1996, required the Commission to establish a plan to compensate payphone providers for "each and every completed intrastate and interstate call using their payphone." Prior to the Telecommunications Act of 1996, a payphone provider often received no compensation for these types of calls, no matter how frequently callers used its payphones to originate these calls.

In order to fulfill Congress's mandate, the FCC adopted rules in the Payphone Reclassification Proceeding that required IXCs to compensate payphone providers on a per-call basis for calls they receive from payphones, except those calls for which the payphone provider already collects compensation under a contractual arrangement. Payphone-originated calls that are unlikely to be the subject of a contract with the payphone provider include calls to a subscriber 800 number, such as 1-800-FLOWERS, or access code calls, like 1-800-CALL-ATT, which connect the caller to a carrier.

In the Payphone Reclassification Proceeding, the Commission required an IXC to pay the payphone provider, in absence of a contract between the IXC and the payphone provider, a rate of \$.35 per call whenever the IXC received a compensable call from that PSP's payphone. The Commission encouraged the IXCs and payphone providers to contract with each other for more economically efficient compensation rates. Thus, the \$.35 per-call compensation rate is a default rate that can be reduced or increased at any time through mutual agreement.

Because the IXCs have significant latitude on how to set up the system under which each will compensate payphone providers at an agreed-upon per-call rate, the Commission left it to each IXC to determine whether it will recover the cost of compensating payphone provider, and how it would make such a recovery. As is always true in a competitive environment, callers are free to voice their opinions to their IXC about charges imposed on them or increased rates for service. Ultimately, if an IXC's charges

or rates are not economically sound, callers have the option of switching carriers with relative ease.